To: David Katz 916-756-7188
Fr: Mike Stone, 9/26/96

Dear David:

Thanks for your response to my note. I wrote it *because* I wanted to clear some things up before jumping to any wrong conclusions. Clearly, confrontation is not what I do best—I'm one of those Californians, remember, and a Swede. An organization as full of contentious people as this one is sometimes needs some people to play a different role. I know that's been valuable (we might never have finished MWEC if I hadn't been able to work with both Howard and Peter and to keep them from killing each other). Sometimes, I haven't been so successful, as in my efforts to mediate between Ty and Ruth.

As to whether I thought you were threatening to destroy the organization to save it, that's why I wrote you. It sounded that way, and I wanted to check it out with rather than leap to assumptions. Threats don't get us very far in an organization as small as this one. The alternatives as you put them in your note back to me clearly make sense. I thought the board came out of the meeting Monday open to moving toward the changes you recommended. I was very afraid that that would unravel if the board felt you were threatening them.

I disagreed with you, as I said, about expecting the board to act immediately Monday night. I have no quarrel with your assessment about the board's failure to act over the whole year. I told Ty many months ago that not building the board into a larger, functioning group was the greatest failing of the last year. My failing was not succeeding in getting them to do more about it. When Ty was about to see Joel in January or February, I told him that Joel was going to crucify him for not making more progress in developing the board, but he didn't believe me. Oh, well. I told him after the board's previous meeting that what most worried me was the possibility that the whole future of Whole Earth could be decided by four tired guys throwing in the towel because they had run out of ideas.

As a strategy, I begin with assuming the board needs to believe it is acting judiciously. Whether or not you have optimism in their judgment (and I can understand why you don't), they think they're trying to do their job. I also think they're primed to be shown a better way to do that job. You made more progress than you might think on that front Monday. Still, they need to have the room to act in a way they can feel is responsible. For instance: elect new members up to the by-laws limit of seven. Then if necessary amend the by-laws to add others. I actually think they'd do that.

I agree and disagree with your assessment of Ty. He doesn't have the skills or inclination to run the organization. He's a philosopher. He actually knows that. He only said he would do it because he didn't see an alternative. He also sometimes needs too much certainty to be able to make decisions in ambiguous situations. I told him that I thought that the by-laws were deficient in making the board president the CEO, that that removes accountability. Eventually, he agreed with me. As for whether Wade's motivation is protecting Ty, I'd just suggest you watch that dynamic very carefully and make up your own mind whether Wade defers more to Ty or vice versa.

Like anyone else, Ty may delude himself sometimes, but I don't think he is ever intentionally dishonest. I'd like to think I have integrity (we can talk about whether it looks that way to you), but I'm not nearly as scrupulous as Ty is. He's the one who beat everybody while writing the subscriber letter to keep saying, "There are no guarantees . . . it's a steep mountain . . . join us in taking a risk," etc., etc. He argued the longest against Sony as threatening to compromise Point's integrity. If he says anything that's not the truth, it's because he's mistaken, not lying.

Re Ty and Ruth: their conflict nearly sank Point, but there are two sides to it. Notice that Ruth attached to her letter to the board the contract she and Ty signed, but that she left off page 2, in which she had agreed from the beginning to delay that contract for 90 days. That reduced the amount she was owed by more than $5,000, but her presentation to the board acted as if page 2 didn't exist. And she left off the agreement she signed this year, settling for the PowerBook and $5,000 to be paid when the board agreed it could do that without jeopardizing Point. A bad agreement, maybe, but bad faith on her part to present the board with only a third of the story.

I'm not sure why you were surprised that I said we needed a publisher. I said it last year when Ruth didn't pursue it in order (I concluded) to avoid sharing authority. I said it this spring. I *believe* I said it to you. When Ty and the board decided they didn't want to continue with you, I told him that if you weren't the publisher, someone else still needed to be. After you left Monday night, someone on the board asked me what we needed to succeed, and I said we still needed a publisher and an editor, along with a business plan. I told Ty the same thing yesterday.

I appreciate the support you have given me. I am surprised, and very sorry, to hear you say that you don't feel I have supported you *at all* (your words). If you're willing, I'd appreciate your showing me why you think that. I haven't agreed with you about everything. I told you that I was really hoping to see less discrepancy in salaries and more asking the whole staff to begin together at levels Point could afford and rise together, as quickly as possible. You heard from me the other day when I felt you were making threats. But I've tried to

be supportive in the best ways I know how, often behind the scenes helping you to do better work, including putting in lots of hours to improve your projections and make them as solid as possible. I distinctly remember supporting you and your ideas at several points during meetings. I argued with Ty that we needed a publisher when he thought otherwise. I won't go into details, but you'll have to ask to take my word for it that I was given the opportunity Monday night to scuttle you and the board plan you proposed, and I didn't. But we don't see our actions the same way others do, so please tell me why you think I haven't supported you at all.

I still don't expect to agree with you about everything. Neither would that be healthy. We're both sure to disappoint each other sometimes, and to do things under pressure that we'll regret later. As I said before, I want to make this place work, and to use our mutual strengths to build a team that can do that. And, yes, I continue to think that' possible.

I'll expect to talk soon.

Mike

P.S. I don't expect that you need to make a lengthy response to my response, and back and forth until we both drop. We all have important other things to do.